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8 January 1952

MEMORANDUM

TO : [REDACTED]

FROM : [REDACTED]

SUBJECT: Consolidation of Finance Facilities [REDACTED]

Document No. 9

No Change In Class. ☐☐ Declassified

Class. Changed To: TS S C

Auth.: HR 70-2

Date: 22-4-78

By: 35

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1. Under instructions of the Deputy Director (Administration), the Comptroller, the Deputy Director (Plans), and each Assistant Director and Division Chief concerned, I have recently visited the several large field organizations in the Far East and in Europe. The purpose of these visits was to determine the action which should be taken by the Finance Division in connection with the consolidation of field stations, and to determine the extent to which decentralization of finance activities to such reorganized missions is necessary and practicable.

2. In my opinion [REDACTED] is well staffed by highly qualified Finance Officers and employees and is in position to proceed at once with both consolidation and assumption of control of Administrative expenses heretofore centralized at Headquarters. The Administrative expenses with which we are most concerned are salaries, allowances and travel, which, because of volume and unavoidable delays in communication can best be handled at the large field missions for reasons of efficiency, economy, facilitation of proper administrative controls by persons in best position to know pertinent facts, and to minimize or eliminate a serious morale problem generally existent among all employees as a result of uncertainty or delayed information concerning settlement of personal accounts and payment of allotments.

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3. A very lengthy report would be required to present and explain the detailed procedural changes in connection with consolidation in the field the transfer of administrative control of salaries, allowances and travel from Headquarters. Such details have been discussed at length with the Finance Officers in [REDACTED] and will be covered in memoranda and regulations which will follow. Accordingly, this memorandum will be limited to major points of interest and proposed action for which your approval is requested.

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4. Principal proposed changes are:

A. Cancellation of all existing finance assignments and simultaneous appointment of a Chief of Finance [REDACTED] and one general deputy to serve at [REDACTED] Headquarters.

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B. All other finance assignments, including principal assistants at sub-stations should be made [redacted] upon recommendation by the Chief of Finance [redacted].

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C. Closing of all station accounts (formerly reporting directly to Headquarters) as at 31 December 1951 and the establishment of consolidated accounts for [redacted] including single currency inventory control.

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D. The establishment of such revolving fund accounts as may be necessary to facilitate operations and furnish desired individual reports. Such revolving fund accounts may be of the "Class A" double entry type and may be utilized within the [redacted] Headquarters.

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E. At the earliest practicable date (possibly by 1 July 1952) transfer to [redacted] all pay and allowance accounts of all categories of employees and agents controlled or serviced by the [redacted]

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F. [redacted] to assume at once responsibility for all travel accounts, including PCS travel. In the event Headquarters' assistance is desired in individual cases, an appropriate advance of funds should be made, if necessary, and the individual account should be forwarded without entry to Headquarters for pre-audit. After return of the account (without entry by Headquarters) adjustment and recording will be made [redacted]

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G. Following initiation of the above, Headquarters will pay a fixed allotment to each individual's bank account at specified pay periods and such allotment will not be altered except upon instructions from [redacted]. In this manner individuals will be certain of bank deposits and can plan accordingly. Appropriate arrangements will be made for retirement and tax deductions.

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H. Adjustment of individual allotments will be made at any time upon instructions from [redacted]. However, every effort will be made to establish allotments at realistic figures and to discourage frequent changes. Local adjustments may be made by use of periodic transfers to Headquarters for deposit to bank accounts and by cashing personal checks.

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I. Full administrative review and certification of accounts should be accomplished in [redacted] including periodic audit of sub-stations by a senior finance officer. This is in accordance with your expressed views on the matter. The accomplishment of such administrative review and audit will include better work, less duplication of effort and sound financial control.

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J. Another subject which has been of interest to all Senior Representatives and Chiefs of Station is the matter of final post audits conducted in the field by members of the Agency Audit Office.

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I am not authorized to represent Headquarters in this matter. However, since it is of general interest, my impressions gained during this trip will be conveyed to the Chief of the Audit Office upon my return. Generally, other officials with whom I have talked share your view that a final Agency audit in the field, conducted quarterly or semi-annually, would be practical and beneficial to all concerned. There is every indication this method would facilitate the audit since accurate and current information would be readily available. Further, it should reduce correspondence and other work and would render valuable assurance to field officials and personnel. It is assumed further information on this subject will be forthcoming from the Chief, Audit Office.

5. Your consideration and approval of the above is requested. Upon approval immediate action will be taken toward implementation as practicable. In connection with this



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Acting Chief, Finance Division

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